



State of Utah

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RECEIVED E-Mail

OCT 17 2016

Div. of Oil, Gas & Mining

OCT 17 2016

Certified Mail

Mr. Erez Goldgrabber, Owner  
c/o Mr. Butch Moore, Mine Manager  
Bromide Mining, LLC  
28 East 100 North  
Hanksville, Utah 84734

51017/0031

Subject: **Letter of Violation and Warning** – Bromide Mine, Henry Mountains, Garfield County, Utah

Dear Mr. Goldgrabber:

Staff from the Division of Water Quality (DWQ) attended a meeting in the Department of Environmental Quality (DEQ) Salt Lake City offices on March 22, 2016 regarding the Bromide Mining project. In addition to Bromide Mining, LLC (Bromide) personnel, the meeting was attended by personnel from Transcon Environmental (a consultant to Bromide), staff from several of the DEQ Divisions, and representatives from the Division of Oil, Gas, and Mining (DOGM). The purpose of the meeting was to discuss the scope and timing of the Bromide Mining operation located at the mine site in the Henry Mountains, Garfield County, Utah. During the meeting it became apparent that mining operations had been occurring over an extended period of time, and few, if any, permits required by both State and Federal environmental programs had been acquired by Bromide prior to starting mining activities. Bromide indicated that their consultant, Transcon Environmental, was in the process of initiating the paperwork necessary to acquire the various permits, and would be contacting each regulatory agency individually to determine their respective permitting requirements.

Following an inquiry by DWQ, Tyler Allen with Transcon Environmental provided information in August 2016 regarding construction materials used for two wastewater storage ponds constructed at the site as part of the mill processing operation. Mr. Allen indicated he had recently started to prepare a ground water discharge permit application for submission to DWQ to permit the ponds.

On September 21, 2016 DWQ personnel conducted a site visit at the mine to observe the mining activities first-hand. Butch Moore (Bromide) and Tyler Allen (Transcon) were onsite to conduct a tour of the site and discuss the operations. Based on the site visit, it is apparent the scope of mining activities has already changed from those described during the March 2016 meeting. As described during the site visit, the onsite mill is being used to process stock-piled ore from an underground operation. Bromide has determined the underground operations are not economic, and is now planning to mine the ore in an open-pit operation. Full-scale mining and milling will apparently not proceed until the milling process has been perfected and the end products have been determined. The objective is to market all products generated during the milling process so there is no waste (tailings) to dispose at the site. Additionally, the milling will be conducted at an offsite mill yet to be constructed. The current mill has been described as a small-scale "proof of concept" operation.



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**Required Actions**

A ground water discharge permit application should have been acquired by Bromide prior to starting mining activities as described under Utah Administrative Code R317-6-6.1. In addition, two wastewater ponds being used as part of the milling operation were installed without obtaining a construction permit from DWQ as required by R317-1-2. Penalties for not securing the appropriate permits are described under the Utah Water Quality Act, Utah Code Ann. §§ 19-5-101 to 19-5-123. In lieu of enforcement action by DWQ, within 60 days of the date of this letter Bromide shall provide the following in an effort to gain compliance:

1. Ground Water Discharge Permit Application satisfying the requirements described under R317-6-6.3,
2. water samples from the 2 wastewater ponds,
3. water sample from the ground water discharge at the historic underground mine portal,
4. construction specifications for the 2 wastewater ponds, and
5. a proposed schedule of future activities including, but not limited to, commencement of open pit mining and construction of the full-scale mill.

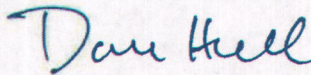
Upon receipt of the above requested items, DWQ will perform a completeness review and request additional information as necessary to assist Bromide in securing a ground water discharge permit.

Please note, as the mining operation evolves it is the responsibility of Bromide Mining to keep DWQ informed of future operational changes that may impact activities regulated under a discharge permit. For example, construction of additional wastewater ponds, storm water basins or drainage channels that could contain water that has been in contact with mine waste rock, installation of piping transporting fluids associated with mine processes, spills or releases of wastewater, etc.

Failure to respond to this Letter of Violation within **60 days** from receipt may result in a Notice of Violation (NOV) which may include potential assessed penalties under the authority of the Utah Water Quality Act, Section 19-5-115.

Thank you for your cooperation. Please contact Brian Hamos at (801) 536-4384 or [bhamos@utah.gov](mailto:bhamos@utah.gov) if you have any questions regarding this matter.

Sincerely,



Dan Hall, P.G., Manager  
Ground Water Protection Section

DH:BH:ag

cc: Wayne Western, DOGM (via e-mail)  
Paul Wright, Southwest District Engineer (via email)  
Tyler Allen, Transcon Environmental (via email)  
Robert Beers, Southwest Utah Public Health Dept (via email)

DWQ-2016-014121